CHAPTER 2 FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts passed under Article 204 and 205 of the Constitution of India. These Accounts list the original budget estimate, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. The Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provision and are therefore complementary to Finance Accounts.

2.1.2 Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provision of the Constitution is so charged.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2010-11 against 56 grants/appropriations was as given in **Table 2.1**:

Table 2.1: Summarised Position of Actual Expenditure *vis-à-vis* Original/Supplementary provision

(Rupees in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings (-)/ Excess (+)
Voted	I. Revenue	4389.36	248.66	4638.02	4082.81	(-) 555.21
	II. Capital	1784.14	398.48	2182.62	1068.22	(-) 1114.40
	III. Loans and Advances	25.00	-	25.00	0.96	(-) 24.04
Total Voted		**6198.50**	**647.14**	**6845.64**	**5151.99**	(-) **1693.65**
Charged	IV. Revenue	523.06	0.83	523.89	459.34	(-) 64.55
	V. Capital	-	-	-	-	-
	VI. Public Debt-Repayment	192.00	14.30	206.30	205.70	(-) 0.60
Total Charged		**715.06**	**15.13**	**730.19**	**665.04**	**(-) 65.15**
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		**6913.56**	**662.27**	**7575.83**	**5817.03***	(-) **1758.80**

* These are gross expenditure including actual recoveries in 5 grants (13, 15, 27, 31 and 51) amounting to ₹ 192.57 crore (Revenue: ₹ 182.68 crore and Capital: ₹ 9.89 crore).

The overall saving of ₹ 1,758.80 crore was the result of saving of ₹ 1,779.42 crore in 49 grants and seven appropriations under Revenue Section, 34 grants and three appropriations under Capital Section, offset by excess of ₹ 20.62 crore in five grants and four appropriation under Revenue Section and three grants and one appropriation under Capital Section.

Total savings of ₹ 1,779.42 crore occurred mainly in Finance (₹ 417.59 crore), Tribal Welfare (₹ 386.94 crore), Welfare of Scheduled Castes (₹ 241.39 crore), Planning and Co-ordination (₹ 156.06 crore), Public Works (Water Resources) (₹115.59 crore), Agriculture (₹ 68.65 crore), Public Works (Roads and Bridges) (₹ 64.74 crore), Education (Higher) (₹ 42.49 crore), Education (Social) (₹ 28.73 crore) and Education (School) (₹ 21.41 crore) Departments.

Total excess expenditure of ₹ 20.62 crore occurred mainly in Information Technology (₹ 4.28 crore), Education (Social) (₹ 4.27 crore), Public Works (Roads and Bridges) (₹ 3.88 crore) and Health (₹ 1.22 crore) Departments.

Reasons for huge savings/ excess had not been intimated by the departments concerned.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that out of overall savings of ₹ 1,758.80 crore, savings of ₹ 1,642.24 crore (93 *per cent*) exceeded ₹ 10 crore in each case in respect of 22 cases **(Appendix 2.1)**.

It was also seen that in 21 cases **(Appendix 2.1)** actual expenditure was less than even the original provision of which in 14 cases supplementary provision were also made. There were savings of more than ₹ 100 crore each in four cases under Capital *viz*. (i) Tribal Welfare (₹ 263.69 crore), (ii) Welfare of Scheduled Castes (₹ 169.99 crore), (iii) Planning and Co-ordination (₹ 155.82 crore) and (iv) Finance (₹ 204.88 crore) Departments and in two cases under Revenue *viz*. Tribal Welfare (₹ 123.25 crore) and Finance (₹ 145.80 crore) Department, which ranged from 42 to 99 *per cent* of their provision. Abnormal savings indicated that the basis for assessment of original as well as supplementary requirements were not realistic.

Reasons for huge savings have not been intimated (August 2011) by the departments.

2.3.2 Persistent Savings

In 10 cases, there were persistent savings of more than rupees one crore each during the last five year period (**Table 2.2).**

Table 2.2: List of Grants indicating Persistent Savings during 2006-11

(Rupees in crore)

Sl. No.	Number and name of grant	Amount of savings				
		2006-07	2007-08	2008-09	2009-10	2010-11
	Revenue-Voted					
1.	20 – Welfare of Scheduled Castes Department	10.51	19.89	30.28	42.92	71.40
2.	43 - Finance Department	178.04	154.19	242.75	164.84	145.80
3.	52 – Family Welfare and Preventive Medicine	6.30	14.73	10.52	5.83	8.56
	Capital-Voted					
4.	15 – Public Works (Water Resources) Department	11.81	15.34	13.03	27.05	79.65
5.	16 – Health Department	30.40	33.04	13.48	13.63	8.59
6.	19 – Tribal Welfare Department	139.03	183.09	215.90	305.80	263.69
7.	20 – Welfare of Scheduled Castes Department	95.30	85.00	126.01	189.91	169.99
8.	27 – Agriculture Department	13.47	15.35	29.29	39.72	59.96
9.	34 – Planning and Coordination Department	45.03	116.82	73.14	101.67	155.82
10.	52 – Family Welfare and Preventive Medicine	5.10	5.37	4.33	8.42	4.27

Analysis of the savings revealed that:

- There was increasing trend of savings in respect of Welfare of Scheduled Castes Department (Grant No. 20) in respect of Revenue Sectors in all the five year period. In this grant, the savings increased to ₹ 71.40 crore in 2010-11 from ₹ 10.51 crore in 2006-07 in respect of Revenue account while the trend of high savings was persistent in respect of Capital account during the period. The savings during the year 2010-11 in this grant was more than 50 *per cent* of the total provision (₹ 338.18 crore).
- The savings in Tribal Welfare Department (Grant No. 19) under capital (voted) section however, declined from ₹ 305.80 crore in 2009-10 to ₹ 263.69 crore under capital account in 2010-11.
- In other three grants *viz* Public Works (Water Resources) (Grant No. 15), Agriculture (Grant No. 27) and Planning and Co-ordination (Grant No. 34) there were savings of 74 *per cent*, 68 *per cent* and 98 *per cent* respectively over the total provision in 2010-11.

2.3.3 Expenditure without Provision

As per the Financial Rule, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 103.12 crore was incurred in 20 grants/ appropriations without any provision in the original estimates/supplementary demands and without any re-appropriation orders to this effect. Details of the scheme / service where expenditure were incurred without any provision of funds are detailed in **Appendix – 2.2**.

There were 13 cases under seven grants/ appropriations, where expenditure of more than rupees one crore in each case **(Appendix – 2.2)**, was incurred without making any provision during the year out of which in three cases amount involved was more than ₹ 10 crore, as detailed in **Table 2.3**.

Table 2.3: Expenditure incurred without provision during 2010-11

(Rupees in crore)

Number and Name of Grants/ Appropriations	Head of Account	Head of Service	Amount of expenditure without provision	Reasons/Remarks
14 – Power Department	(i) 2801	Power		Reasons for expenditure without budget provision were not intimated by the Department (September 2011).
	80	General		
	190	Assistance to Public Sector and Other Undertakings		
	23	Co-operations/ PSUs/ Boards		
	12	Tripura State Electricity Corporation Limited (Non-Plan)	19.76	
	(ii) 4801	Capital Outlay on Power Projects		Reasons for expenditure without budget provision were not intimated by the Department (September 2011).
	05	Transmission and Distribution		
	190	Investment on Public Sector and Other Undertakings		
	75	Special Plan Assistance (SPA)		
	01	Special Plan Assistance (SPA) (Plan)	19.98	
19 – Tribal Welfare Department	(i) 4801	Capital Outlay on Power Projects		
	05	Transmission and Distribution		
	190	Investment on Public Sector and Other Undertakings		
	75	Special Plan Assistance (SPA)		
	01	Special Plan Assistance (SPA) (Plan)	11.91	

2.3.4 Excess over provision relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). Information on the regularisation of excess expenditure amounting to ₹ 1310.53 crore for the years 2000-10 had not been furnished (September 2011) by the State Government though called for (June 2011). The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised in **Table 2.4.**

Table 2.4: Excess over provision relating to previous years requiring regularisation

(Rupees in crore)

Year	Number of		Amount of excess over provision	Status of regularisation
	Grants	Appropriations		
2000-01	5 (5,10,31,45,51)	4 (13,14,25,43)	81.92	NA
2001-02	10 (5, 7, 10, 14, 17, 22, 24, 31, 41, 45)	4 (13, 35, 43,49)	275.57	NA
2002-03	6 (6, 7, 10, 36, 45, 47)	4 (12, 14, 31, 43)	266.77	NA
2003-04	3 (5, 28, 36)	2 (31, 43)	233.55	NA
2004-05	11 (2, 4, 6, 14, 18, 22, 33, 36, 40, 54, 55)	3 (1, 31, 43)	321.67	NA
2005-06	5 (6, 15, 39, 45, 56)	2 (1, 43)	14.58	NA
2006-07	3 (22, 41, 42)	3(13, 20, 43)	14.85	NA
2007-08	3 (23, 28, 36)	2 (43, 48)	22.89	NA
2008-09	5 (22, 31, 35, 41, 56)	2 (2, 43)	16.56	NA
2009-10	3 (23, 24, 29)	1 (14)	62.17	NA
		Total	**1310.53**	

2.3.5 Excess Expenditure

In 13 cases, expenditure aggregating ₹ 20.62 crore exceeded the approved provision that occurred in 11 grants / appropriations during the year 2010-11 which are required to be regularised by the State Legislature under Article 205 of the Constitution. Details are given in **Appendix 2.3**. The maximum excess expenditure occurred in the grants / heads are detailed in **Table 2.5** below:

Table 2.5: List of Grants indicating Excess expenditure 7 *per cent* to 125 *per cent* over the total provision during 2010-11

(Rupees in crore)

Sl. No.	Number and name of grant	Total provision	Total expenditure	Amount of excess expenditure	Percentage of excess expenditure to total provision
Revenue-charged					
1.	13 – Public Works (Roads and Bridges) Department	29.90	31.91	2.01	7%
Capital-voted					
2.	14 – Power Department	50.55	54.84	4.29	8%
3.	41 – Education (Social) Department	41.48	45.75	4.27	10%
4.	56 – Information and Technology Department	3.42	7.70	4.28	125%
	Total:	125.35	140.20	14.85	

The above table shows that out of total excess expenditure of ₹ 20.62 crore, ₹ 14.85 crore (72 *per cent*) occurred in three grants and one appropriation and it ranged between 7 and 125 *per cent*. 125 *per cent* excess expenditure was observed in one grant, which was incurred on other Administrative Services by the Information Technology Department.

2.3.6 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 416.79 crore obtained in 21 cases (₹ one crore or more in each case) during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.4**. In 4 cases, supplementary provision of ₹ 64.93 crore proved insufficient, by more than rupees one crore in each case, leaving an aggregate excess expenditure of ₹ 14.06 crore over the supplementary provision **(Appendix 2.5).** In 7 cases, supplementary provision of ₹ 99.09 crore was obtained against actual requirement of ₹ 54.88 crore, resulting in excess supplementary provision as well as savings of ₹ 44.21 crore in these cases, as detailed in **Appendix 2.6**.

2.3.7 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over rupees one crore in each sub-head of 23 grants/appropriations as detailed in **Appendix 2.7**.

In 19 out of 159 Sub-heads of 10 grants/appropriations **(Appendix 2.7)**, savings/ excess of more than ₹ 10 crore in each case, occurred due to injudicious, insufficient or excessive re-appropriation of funds during the year 2010-11. This indicated that re-appropriations were done without proper assessment of actual requirement.

2.3.8 Unexplained re-appropriation

According to the Financial Rules, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement and vague expressions such as "based on actual requirements", "based on trend of expenditure", etc., should be avoided. Scrutiny of re-appropriation orders issued by the Finance Department revealed that out of a total of 817 cases, re-appropriation was done in 608 cases (74 *per cent*) stating the reasons for additional expenditure and savings with vague expressions such as 'based on actual requirement' etc.

2.3.9 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of total savings) were not made in respect of 21 grants/appropriations. Out of the total provision of ₹ 1663.67 crore in these 21 cases, ₹ 541.47 crore (33 *per cent*) of total provision was available for surrender. Of this, only ₹ 157.00 crore (29 *per cent* of available savings) was surrendered during the year 2010-11. It is noticeable that only one *per* cent of available savings was surrendered by one grant (Grant No. 52) and two to five *per cent* were surrendered by four grants/ appropriations (e.g. Grant No. 5, 6, 15 and 43). The details of such cases are given in **Appendix 2.8**. Reasons for not surrendering the balance amount of ₹ 384.47 crore were not stated.

2.3.10 Surrender in excess of actual saving

In 10 cases, the amounts surrendered were in excess of actual savings which indicated inadequate budgetary control in these departments. As against savings of ₹ 170.05 crore, the surrendered amount was ₹ 193.69 crore resulting in excess surrender of ₹ 23.64 crore. Details are given in **Appendix 2.9**. In 4 out of 10 cases, the amount of excess surrender was above rupees one to five crore while in one case it was above ₹ 10 crore.

2.3.11 Anticipated savings not surrendered

As per Financial Rules, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2010-11, there were 16 grants/appropriations in which savings occurred (₹ 10 lakh and above in each case) but no amount was surrendered by the departments concerned. The amount involved in these cases was ₹ 97.65 crore **(Appendix 2.10).** Out of 16, in 9 cases the savings were more than rupees one crore while in two cases, there were savings of more than ten crore. The departments involved are (i) Public Works (Roads and Bridges) (₹ 64.74 crore) and (ii) Information, Cultural Affairs and Tourism (₹ 12.30 crore).

Besides, in five grants, there was no anticipated savings and even the expenditure was in excess of the provision. Though there were no savings, the spending departments (**Appendix 2.11**) surrendered an amount of ₹ 47.83 crore during 2010-11, which was indicative of poor financial management and control over expenditure.

2.3.12 Rush of expenditure

In order to utilise the total resources at the disposal of the Government to the best advantage, the departmental heads / controlling officers at whose disposal a grant is placed, are required to keep constant watch over the progress of expenditure under different units of appropriation so that timely action can be taken to surrender funds that cannot be utilised rather than spend them hastily or in an ill-considered manner at the close of the financial year.

According to the Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 13 grants/ appropriations more than 20 *per cent* of the total provision and expenditure during the year was incurred in the last month of the financial year (**Appendix 2.12**). In Capital Section of three grants more than 50 *per cent* expenditure was incurred during March 2011 with excess over the provision.

Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill planned expenditure. The departments should spread the expenditure uniformly throughout the year as far as practicable without holding the funds till the end of the financial year.

2.4 Expenditure controls

2.4.1 Pendency in submission of Detailed Countersigned Contingent (DCC) Bills against Abstract Contingent (AC) Bills

As per sub-rules 11 (ii) and 14 of Rule 27 of the Delegation of Financial Powers Rules, Tripura, 2007, drawal of the amount in AC Bills should be adjusted in DCC Bills submitted to countersigning officer within 60 (sixty) days from the date of the drawal of the amount, and the Head of the Department shall countersign all DCC Bills and forward them to the Accountant General (Accounts & Entitlement), Tripura within 90 (ninety) days from the date of the drawal of the AC Bill.

As on 1-4-2010, there were 13,264 Nos of Unadjusted AC Bills involving ₹ 113.45 crore drawn by various departments/ DDOs upto 31-3-2010. Out of this, only 6,070 Bills amounting to ₹ 50.69 crore were settled. In 2010-11, 15,593 AC bills amounting to ₹ 84.98 crore were drawn with the total unadjusted AC bills as on 31-03-2011 standing at 22,787 bills involving ₹ 147.74 crore. One of the major reasons for drawing AC bills was to avoid lapsing of budget.

The year-wise position for the last three years are given in **Table No. 2.6**:

Table 2.6: Year-wise break-up of outstanding AC Bills as on 31-03-2011

(Rupees in crore)

Year	AC Bills outstanding as on 31 March 2010		Outstanding AC Bills as on 31 March 2011	
	No. of Bills	Amount	No. of Bills	Amount
Upto 2008-09	1132	38.48	498	15.58
2009-10	12,132	74.97	6,696	47.18
2010-11	-	-	15,593	84.98
Total :	**13,264**	**113.45**	**22,787**	**147.74**

Source: Based on VLC data from A&E Office.

Department-wise breakup of outstanding AC Bills involving ₹ 147.74 crore drawn upto the year 2010-11 are given in **Appendix – 2.13**. Year-wise position of substantial amounts drawn on AC Bills by the departments and remained un-adjusted as on 31 March 2011 are given below:

Table 2.7: Year-wise break-up of AC Bills outstanding of some major departments

(Rupees in crore)

Sl. No.	Name of Department	Year	No. of AC Bills	Amount of AC Bills as on 31 March 2011
1.	Tribal Welfare Department	2008-09	173	8.09
		2009-10	1792	11.14
		2010-11	4186	25.03
2.	Welfare of SC, OBC and Minorities Department	2008-09	52	2.62
		2009-10	1038	6.34
		2010-11	1977	10.50
3.	Education (Social) Department	2009-10	277	1.46
		2010-11	3730	16.24
4.	Revenue Department	2008-09	253	4.71
		2009-10	1096	8.43
		2010-11	2021	3.93
5.	Home (Police) Department	2009-10	288	6.37
		2010-11	349	5.56
6.	Education (School) Department	2009-10	680	3.37
		2010-11	1963	10.00

Non-adjustment of AC Bills for long periods and failure of controlling authority in enforcing strict financial discipline could lead to mis-appropriation.

2.5 Lapsed Deposit

As per Treasury Rule 635, at the close of March every year, all deposits on balances in excess of rupees twenty five unclaimed for more than three complete accounting years, shall be credited to the Government under Consolidated Fund.

Out of 11 treasuries/ sub-treasuries in the State, it was found from the records of two treasuries (Treasury No. I and Treasury No. II, Agartala) that an amount of ₹ 0.70 crore (Treasury No. I: ₹ 0.42 crore and Treasury No. II: ₹ 0.28 crore) was credited to the Government accounts during the year 2010-11 as lapsed deposit under Major Head – 8443 pertaining to the year 2007-08 in compliance with the rules. No information has been furnished by the other treasuries in the State.

2.6 Outcome of the Review of Selected Grants

2.6.1 Introduction

A review of Grant No. 20 –Welfare of Scheduled Castes Department was conducted in June 2011 in the Directorate of Welfare for SCs and OBCs mainly to assess the efficiency in the process of budgeting and consequent control of expenditure for both Revenue and Capital heads during the year 2010-11.

In 1982, the Department for Welfare of SCs and OBCs was created from erstwhile Joint Department for Welfare of SCs and STs. In 1999, the State Government created a separate Directorate for Welfare of Religious Minorities for implementation of the Schemes through this Directorate for the Minorities and the Department for Welfare of SCs and OBCs was renamed as the Department for Welfare of SCs, OBCs and Minorities.

At present, under this Department, there are two Directorates *viz,* the Directorate of Welfare for SCs and OBCs and the Directorate of Welfare for Religious Minorities. The Special Secretary, the Controlling Officer of the Department for Welfare of SCs and OBCs, assisted by the Director is responsible for the implementation of sectors *viz,* Educational Development and Economic Development for Welfare of SCs and OBCs under State Plan as well as Centrally Sponsored Schemes.

The Department of Welfare for SCs, OBCs and Minorities aims mainly at implementation of educational and economical development programmes in the State in the shape of financial assistance.

2.6.2 Budget and Expenditure

The budget provision and actual expenditure under Grant No. 20 during 2010-11 is given below:

Table No. 2.8: Summarised position of budget provision and actual expenditure

(Rupees in crore)

Nature of expenditure	Budget Provision					Actual Expenditure*			Savings (-)/ Excess (+)
	Original		Supplementary		Total	Non-plan	Plan	Total	
	Plan	Non-plan	Plan	Non-plan					
Revenue	140.51	6.95	30.36	-	177.82	2.66	103.74	106.40	(-) 71.42
Capital	306.00	0.07	32.18	-	338.25	-	168.26	168.26	(-) 169.99
Grand total:	**446.51**	**7.02**	**62.54**	**-**	**516.07**	**2.66**	**272.00**	**274.66**	**(-) 241.41**

***Source: Appropriation Accounts 2010-11.**

During 2010-11, the actual expenditure was ₹ 274.66 crore against the budget provision of ₹ 516.07 crore, resulting in an overall savings of ₹ 241.41 crore which was required to be surrendered by the Department. The actual expenditure was far below both the original budget provision of ₹ 453.53 crore and Revised Estimate of ₹ 368.83 crore.

Besides, as per the Appropriation Accounts of the State it was noticed that during the last five year period from 2006-07 to 2010-11 there were savings in every financial year in Grant No. 20 out of which a major part of the savings were not surrendered, as detailed below:

Table No. 2.9: Summarised position of budget provision and actual expenditure during 2006-11

(Rupees in crore)

Year	Original grant	Supplementary grant	Total	Actual expenditure	Savings	Amount not surrendered
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*
2006-07	174.28	48.33	222.61	116.82	105.79	58.29
2007-08	221.39	57.57	278.96	174.01	104.95	56.64
2008-09	366.65	71.98	438.63	282.32	156.31	91.58
2009-10	366.63	179.58	546.21	313.37	232.84	166.15
2010-11	453.53	62.54	516.07	274.66	241.41	26.19

According to the budget documents issued by the Finance Department for the year 2010-11 and the information furnished by the Directorate of Welfare for SCs and OBCs, it was seen that the total budget allocation of funds for Grant No. 20 were booked against 33 Development Departments (including Directorate of Welfare for SCs and OBCs) for implementation of various schemes for development of the SCs, OBCs and Minority population in the State. The allocation of funds and expenditure thereagainst in respect of 33 Development Departments (under Scheduled Castes Sub-Plan) are shown in **Appendix – 2.14**.

2.6.3 Allocation of funds under SCSP

Scrutiny (June 2011) of records of the Directorate for Welfare of SCs and OBCs revealed that out of total budgeted amount of ₹ 516.07 crore under grant No. 20, ₹ 31.10 crore (6.03 *per cent*) was allocated against the Directorate of Welfare for SC, OBC and the Directorate of Religious Minorities during the year 2010-11. Rest of the funds were allocated against 32 Development Departments in SC Sub-plan under Grant No. 20. The Finance Department released funds under SCSP directly to the Development Departments concerned. Thus, there was no direct control and monitoring by the Directorate for SCs and OBCs regarding utilisation of funds inspite of the fact that the funds were earmarked against Grant No. 20 of SC Welfare Department for implementation of various schemes for development of the SCs, OBCs and Minority people in the State.

As the funds were not routed through the SC Welfare Department, the Department was not aware of the allocation of funds as well as the expenditure during the course of the year and only collects the expenditure figures at the end of each year from other Development Departments in respect of implementation of the schemes under SCSP funds.

2.6.4 Budget and expenditure in the Directorates during 2010-11

The budget and expenditure during 2010-11 of the Directorate of Welfare for SCs and OBCs are given below:

Table 2.10: Summarised position of budget and expenditure of SC and OBC Welfare Directorate

(Rupees in crore)

Budget provision (RE)				Actual expenditure			Savings
Plan	Non-plan	CSS	Total	Plan	Non-plan	Total	
10.35	3.17	17.58	31.10	17.69	5.42	23.11	7.99

An analysis of the budget and expenditure of the Directorate of SC and OBC Welfare under Grant No. 20 for the year 2010-11 revealed that out of total budget of ₹ 31.10 crore (Revised Estimate), ₹ 25.57 crore was released by the Finance Department against which an expenditure of ₹ 23.11 crore was exhibited to have been incurred during the year resulting in an unspent balance of ₹ 7.99 crore at the end of March 2011 against the Revised Estimates for the year 2010-11.

Out of total expenditure of ₹ 23.11 crore, salary and non-salary expenditure in the Directorate of SC and OBC Welfare during 2010-11 was ₹ 3.20 crore (Plan: ₹ 0.58 crore and Non-plan: ₹ 2.62 crore) and ₹ 19.91 crore (Plan including CSS: ₹ 17.11 crore and Non-plan: ₹ 2.80 crore) respectively.

Non-salary expenditure was mainly on payment of stipend and scholarship to students belonging to SC, OBC and Religious Minority communities studying inside and outside the State which amounted to ₹ 10.75 crore while ₹ 0.07 crore was towards payment of interest during 2010-11 on loans from HUDCO.

2.6.5 Unutilised SPA fund

The Finance Department released ₹ 3.17 crore (26 March 2011) as Special Plan Assistance to the Directorate of SC and OBC Welfare under Grant No. 20, which was not reflected either in the Department's budget documents or in the respective head of account. The fund was lying unutilised till the end of March 2011.

On this being pointed out, the Director, SC and OBC Welfare, accepted the fact and stated that as the fund was released at the fag end of the 2010-11, it was not possible to utilise the fund during the year. The Department had, however, placed the fund to the Public Works Department (Roads & Buildings) after obtaining revalidation from the Finance Department on 30 May 2011 for execution of the construction works for workers engaged in unclean occupations.

It was also stated that since the fund was released by the FD under demand No. 20 after finalisation of Revised Estimates 2010-11 and Budget Estimate 2011-12, such head of account was not incorporated in the budget documents. However, it would be incorporated in the RE of 2011-12.

2.6.6 Short release/ non-release of funds towards payments of stipend/ scholarship to SC and OBC students

Scrutiny (June 2011) of records of the Directorate of Welfare for SC and OBC revealed that during the year 2010-11, the Educational Institutions (i.e. Directorate of School Education and Directorate of Higher Education) placed the requirement of funds of ₹ 10.87 crore (DSE: ₹ 9.41 crore; DHE: ₹ 1.46 crore) alongwith the back log of 2009-10 for payment of pre-matric and post-matric scholarship to the SC and OBC students. The Finance Department released a total sum of ₹ 16.09 crore for payment of pre-matric and post-matric scholarship to the SC and

OBC students. The Directorate thereafter released funds to the educational institutions amounting to ₹ 7.89 crore (DSE: ₹ 7.36 crore; DHE: ₹ 0.53 crore) against their requirement of ₹ 10.87 crore and also released ₹ 7.07 crore directly to various schools, colleges and to the students who were pursuing higher studies outside and inside the State, leaving behind ₹ 1.13 crore as unspent balance. If the Directorate, SC Welfare Department had placed the balance ₹ 1.13 crore in addition to what had been released (₹ 7.89 crore) to the DSE and DHE against their actual demand of ₹ 10.87 crore, their requirement could have been met to a greater extent. Thus, due to short release of fund amounting to ₹ 2.98 crore (₹10.87 crore - ₹ 7.89 crore), the students were deprived of the benefits of stipend/ scholarship due to them.

2.6.7 Short receipt of funds in DSE for pre-matric scholarship

During 2010-11, the Directorate of Welfare for SC and OBC placed funds of ₹ 7.36 crore to the Director of School Education (DSE) against the latter's requirement of ₹ 9.41crore for payment of stipend/ scholarship to the SC and OBC students. The Directorate of Welfare for SC and OBC had also released ₹ 1.30 crore to the DSE towards payment of pre-matric scholarship to the children of those who are engaged in unclean occupation though there was no such demand from DSE. Further, out of ₹ 1.30 crore, the DSE only acknowledged receipt of ₹ 1.09 crore and ignored ₹ 0.21 crore.

The Directorate of Welfare for SC and OBC had, therefore, erred in releasing ₹ 1.30 crore for the purpose of payment of pre-matric scholarship to the children engaged in unclean occupation without any demand. This led to the funds lying unused, while actual communicated demand for ₹ 9.41 crore was not met in full.

2.7 Conclusion and Recommendation

There was an overall saving of ₹ 1,758.80 crore and excess expenditure of ₹ 20.62 crore against 56 grants/appropriations during 2010-11. The excess expenditure of ₹ 1,310.53 crore up to 2009-10 increased to ₹ 1,331.15 crore in 2010-11. This excess requires regularisation by the Legislature under Article 205 of the Constitution of India. A rush of expenditure was also observed towards the end of the year. In respect of 3 grants/appropriations, more than 50 *per cent* of the total expenditure during the year was incurred in the last month of the financial year. The Abstract Contingent Bills were not adjusted for long periods and therefore, were fraught with the risk of mis-appropriation.

Budgetary controls should be strengthened in all the Government departments, particularly in the departments where savings/excesses persisted for last five years. A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the Abstract Contingent Bills within sixty days from the date of drawal of the amount as required under the extant Rules. The Department should follow more reliable mechanism in budgeting to avoid persistent savings or excess.